THE HONOURABLE SRI JUSTICE V.ESWARAIAH

WRIT PETITION No :1321 of 2007

DATED:22-03-2007

BETWEEN:

M/s Viceroy Garden Function Hall,
Rep., by its Proprietor,
Smt. Meher Fatima,
Rep., by GPA Holder, Mehjabeen Fatima,
R/o H.No.18-8-192/9/Apart,
Midani Main Road, Phisal Banda,
Hydeabad.

..... PETITIONER

AND

The Managing Director,
A.P.State Financial Corporation,
Chiragali Lane,
Hyderabad & another.

.....RESPONDENTS

ORDER:

Heard the learned counsel for the petitioner as well as the learned counsel appearing for the respondents.

2. Petitioner seeks a writ of mandamus declaring the action of the respondents in not granting time to repay the loan amount obtained for the purpose of managing
M/s Viceroy Garden Function Hall by settling in one time basis, and consequently by setting aside the proceedings AFC/Hyd/T-1/2006-07/1/2315, dated 05-01-2007, issued by the 2nd respondent herein, as illegal and irregular.

3. The letter, dated 05-01-2007, issued by the
2nd respondent goes to show that the petitioner vide his letter, dated 30-12-2006, requested the respondents to grant time till 30-01-2007 to pay the dues. But however, the respondents informed that further time cannot be allowed for payment of arrears since the loan account is in huge default to an extent of Rs.31.53 lakhs with a total outstanding of Rs.60.28 lakhs as on 31-12-2006. The respondent-Corporation has already recalled the loan amount vide earlier recall-cum-sale notification, dated 27-09-2006, and the said collateral security property was also advertised for sale. Petitioner has not responded to the earlier letter, dated
04-12-2006, and therefore, the Corporation closed the loan

account and advised the petitioner to fix up the date for partition of collateral security property to enable the respondents to process further under Section 29 of the State Financial Corporation Act (for brevity, 'the Act') for recovery of the dues.

4. It is stated that the Corporation sanctioned a sum of Rs.51,00,000/- as on 11-09-2002 to the petitioner and released an amount of Rs.43.86 lakhs from time to time including the adjustment of the interest arrears fallen due during the implementation of Rs.5.53 lakhs, and the balance un-availed loan of Rs.7.14 lakhs has been cancelled. It is stated that the petitioner failed to pay the instalment amount, committed default, and fell in huge arrears, and therefore, action has been initiated under Section 29 of the Act recalling the loan during July, 2004. However, at the request of the petitioner and on receipt of the sum of Rs.1,50,000/- as against the over due amount of Rs.5.42 lakhs, further action was dropped. It is stated that the petitioner paid a sum of Rs.5,00,000/- in March, 2006 and the total default amount of Rs.31.5 lakhs was due and the outstanding total amount due was Rs.60.28 lakhs as on 31-12-2006 and the same was accordingly informed to the petitioner vide letter, dated 05-01-2007, in response to her letter, dated 30-12-2006, and it was also brought to the notice of the petitioner about the earlier recall-cum-sale notice, dated 27-09-2006.

5. It is further stated that the sale notification, dated 03-03-2007, was issued, which was published in Andhra Jyothi news paper on 05-03-2007, and the request of the petitioner is

only to grant time for payment of loan amount. The time sought for by the petitioner to pay the loan amount by the end of January, 2007 was already expired. As per the sale notification, which will be in force for ninety days, it is always open for the petitioner to get the highest bidder, and even if any third party offers within seven days of publication of the proposed offer, it will be put on the notice board for seven days. Therefore, the petitioner will have ample time and liberty either to repay the outstanding dues or get a highest bidder to safeguard his interest as well as the interest of the respondents. As the petitioner questions the letter, dated 05-01-2007, only on the ground that his request, dated 30-01-2006, was not considered, and as the request of the petitioner was only to grant time till 30-01-2007 which was already expired, and also in view of the sale notification issued by the respondents, dated 03-03-2007, I am of the opinion that without questioning the sale notification no relief can be granted in this Writ Petition.

6. Accordingly, the Writ Petition is dismissed. No order as to costs.

_____

V.ESWARAIAH, J

22nd March, 2007
Tsy